

**BEFORE THE ARIZONA STATE BOARD  
FOR CHARTER SCHOOLS**

In the matter of:

**E.Q. SCHOLARS, INC.** (a non-profit corporation)

and

**THE SCHOLARS' ACADEMY**  
(a charter school).

**CONSENT AGREEMENT FOR  
VOLUNTARY SURRENDER AND  
TERMINATION OF THE  
CHARTER CONTRACT**

This Agreement is entered into by E.Q. Scholars, Inc., a nonprofit corporation operating The Scholars' Academy, a charter school, and the Arizona State Board for Charter Schools, by and through its authorized representatives, and provides the following terms and agreement:

1. The Scholars' Academy is a charter school established pursuant to Arizona Revised Statutes (hereafter, "A.R.S.") § 15-181 et seq. and sponsored by the Arizona State Board for Charter Schools ("the Board").
2. The Scholars' Academy operates pursuant to a Charter Contract ("charter") between E.Q. Scholars, Inc., a non-profit corporation, organized under the laws of the state of Arizona, and the Board.
3. The charter was executed on March 2, 1998.
4. Pursuant to A.R.S. § 15-183 and the charter, the Board sponsors E.Q. Scholars, Inc. to operate one school site to serve students in grades 7 through 12.
5. At its public meeting on January 23, 2012, the Board considered and denied E.Q. Scholars, Inc.'s request for renewal of its charter.
6. The charter expires on March 1, 2013.
7. E.Q. Scholars, Inc. voluntarily tenders and surrenders its charter to its sponsor, the Board, with the intent to voluntarily terminate its charter effective June 30, 2012 for the purpose of further performance.
8. E.Q. Scholars, Inc. has mailed a complete copy of the educational record for each student attending The Scholars' Academy in the 2011-2012 school year to the student's parent or legal guardian.

9. E.Q. Scholars, Inc. has notified the Board of the location of The Scholars' Academy's student records.

10. E.Q. Scholars, Inc. agrees that all necessary student level data has been submitted to the Arizona Department of Education through the Student Accountability Information System ("SAIS").

11. E.Q. Scholars, Inc. is entitled to receive state equalization assistance funds for the 2011-2012 school year to which it is permitted under the school funding formula provided in Arizona law, but no more.

12. E.Q. Scholars, Inc. is entitled to receive Classroom Site Funds for the 2011-2012 school year to which it is permitted under the provisions of Arizona law, but no more, and shall expend those Funds in a manner consistent with their intent as specified in A.R.S. § 15-977.

13. E.Q. Scholars, Inc. shall expend its Instructional Improvement Funds, if any, in a manner consistent with their intent as specified in A.R.S. § 15-979.

14. E.Q. Scholars, Inc. agrees to submit any outstanding grant reports to the Arizona Department of Education in the manner directed by the Arizona Department of Education

15. The Board accepts the surrender of the charter of E.Q. Scholars Academy, Inc. for the operation of The Scholars' Academy.

16. The charter between the Board and E.Q. Scholars Academy, Inc. for the operation of The Scholars' Academy is terminated effective June 30, 2012 for the purposes of further performance.

17. This Agreement is not binding on either party until both the Board and E.Q. Scholars, Inc.'s governing board approve it by the number of votes necessary to pass a measure at a public meeting. This Agreement is effective immediately upon its approval and execution by the authorized representatives of the governing board for the E.Q. Scholars, Inc. and the Board.

18. If the Board rejects this Agreement or any part of it, then this Agreement is null and void, and not binding on E.Q. Scholars, Inc. or the Board.

19. E.Q. Scholars, Inc. has consulted with an attorney prior to entering into this Agreement.

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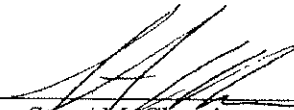
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20. Each party shall be responsible for its own attorneys' fees and costs in this matter.

E.Q. SCHOLARS, INC.

  
By: Steve McClenning

Date: 8/15/12

as Charter Representative and the person authorized to sign on behalf of E.Q. Scholars, Inc.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

\_\_\_\_\_  
By: Jake Logan  
President  
Arizona State Board for Charter Schools

Date: \_\_\_\_\_

Copy of the foregoing mailed this  
\_\_\_\_ day of \_\_\_\_\_, 2012 to:

Jill K. Osborne and R. Scott Currey  
Udall Shumway PLC  
30 West First Street  
Mesa, Arizona 85201-6654  
*Attorneys for E.Q. Scholars, Inc. and  
The Scholars Academy*

By \_\_\_\_\_  
2706937

US - 3807318

THE SCHOLARS' ACADEMY  
560 E. Coyote Street  
Quartzsite, Arizona

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SPECIAL BOARD MEETING MINUTES  
Thursday, August 2, 2012

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1. **Opening Items.**

A. **Call to Order.**

The Regular Board Meeting was called to order at 6:30 p.m. by Board President T.C. Collier.

B. **Roll Call.**

T.C. Collier – Present

Donna Dole – Present

Steve McClenning – Attended Telephonically

Jill K. Osborne, attorney for the Board – Attended Telephonically

C. **Adoption of the Agenda.**

Ms. Dole made a motion to adopt the agenda. Mr. McClenning seconded the motion. The motion passed 3-0.

D. **Pledge of Allegiance.**

The Pledge of Allegiance was recited.

2. **Executive Session.**

Ms. Dole moved to go into executive session pursuant to A.R.S. § 38-431.03 (A) (3), (4), for consultation with the Board's attorney and to direct its attorney regarding its position relating to settlement discussions conducted in order to avoid or resolve litigation relating to the voluntary surrender and termination of its Charter contract. Mr. McClenning seconded the motion. The motion passed unanimously.

The Board returned to open session at 6:41 p.m.

3. **New Business.**

T.C. Collier moved that the Board approve the Consent Agreement for Voluntary Surrender and Termination of the Charter Contract with the Arizona State Board for Charter Schools. Steve McClenning seconded the motion.

T.C. Collier and Steve McClenning voted yes on the motion. Donna Dole abstained. The motion passed.

4. **Adjournment.**

Mr. Collier moved to adjourn the meeting. Mr. McClenning seconded the motion. The motion passed 3-0.

The meeting adjourned at 6:44 p.m.